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UTILITIES COMMISSION

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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP DBA)	
ROCKY MOUNTAIN POWER'S APPLICATION)	CASE NO. PAC-E-16-11
TO APPROVE AN ADDENDUM TO ITS POWER)	
PURCHASE AGREEMENT WITH LOWER)	COMMENTS OF THE
VALLEY ENERGY, INC.)	COMMISSION STAFF
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Daphne Huang, Deputy Attorney General, and submits the following comments.

BACKGROUND

On July 7, 2016, PacifiCorp dba Rocky Mountain Power (the Company) filed an Application asking the Commission to approve an Addendum to its Power Purchase Agreement (PPA) with Lower Valley Energy, Inc. The Addendum extends the PPA, set to expire on September 30, 2016, for another year. The Company requested that the Commission process the Application under Modified Procedure.

The Commission approved the Company's current PPA with Lower Valley in August 2014. Application at 2; Order No. 33107. Under the PPA, Lower Valley sells, and the Company purchases, electric power generated from Lower Valley's three facilities – the Upper Facility, the

Lower Facility, and the Culinary Facility – which are run-of-river hydroelectric generating facilities in or near Afton, Lincoln County, Wyoming. PPA (Attachment 2 to Application). The facilities – each a separate qualifying facility under the Public Utility Regulatory Policies Act (PURPA) – are deemed a single generating facility for purposes of the PPA. *Id.*

Under the Addendum, the parties agree to extend the term of the PPA for one additional year, using applicable rates. Addendum (Attachment 1 to Application). The applicable rates are the non-levelized¹ avoided cost rates for non-seasonal hydro projects less than 10 average megawatts, approved by the Commission in December 2015 in Order No. 33435 (Case No. PAC-E-15-12). For energy deliveries in 2016, the rate is \$34.06 per megawatt-hour (MWh). Application at 3. For energy deliveries in 2017, until the PPA expires on September 30, the rate is \$34.42 per MWh. *Id.*

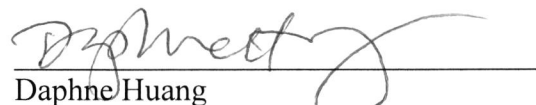
STAFF ANALYSIS

Staff has reviewed the proposed rates and confirms that they are correct. All other terms and conditions contained in the proposed Agreement are consistent with prior Commission orders.

RECOMMENDATION

Staff recommends that the Commission approve all of the Agreement's terms and conditions and declare that all payments made by Rocky Mountain Power to Lower Valley Energy for purchase of energy will be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 9th day of August 2016.


Daphne Huang
Deputy Attorney General

Technical Staff: Yao Yin

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¹ See PacifiCorp's Errata.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 9TH DAY OF AUGUST 2016, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-16-11, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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